

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:1703
ANSWERED ON:14.03.2005
FINANCIAL RESOURCES FOR R D ACTIVITIES
Tripathy Shri Braja Kishore

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the existing Indian share in the global pharmaceutical market; and

(b) the steps taken by the Government to arrange financial resources for Research and Development (R&D) activities through joint ventures, foreign direct investments and collaborations?

Answer

THE MINISTER OF CHEMICALS AND FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN):

(a) The country ranks 4th world wide accounting for 8% of world's production by volume and 1.5% by value Souce-SCRIP World Pharmaceutical News (UK).

(b) Government has provided number of fiscal incentives and other support measures aimed at promoting R&D in industry and also at encouraging the utilization of locally available R&D options for industrial development. These include fiscal incentives under Income Tax Act and exemption from customs & excise duties. Further, loans/grants etc. are also provided by Department of Scientific and Industrial Research (DSIR). Setting up of a R&D fund in Pharmaceutical sector has already been provided for in the Pharmaceutical Policy 2002, announced by the Government in February, 2002. It includes in principle approval to the establishment of Pharmaceutical Research & Development Support Fund (PRDSF) under the administrative control of Department of Science & Technology (DST). DST has constituted a Drug Development Promotion Board (DDPB) on the lines of the Technology Development Board (TDB) to administer the utilization of the PRDSF, DST has made a provision of Rs. 150 crores in the 10th Plan. Industry undertakes Joint Venture & other collaboration activities in accordance with Policies announced from time to time. 100% Foreign Direct Investment is permissible in pharma sector.